Total Fixed Income

Lehman Aggregate Benchmark — *Sep 2008*

Performance Calculations

blue = outperform by 10 bp; **red** = underperform by 10 bp — *(* Annualized)*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total Fixed Income	**-2.3%**	**-1.5%**	**4.2%**	**4.4%**	**4.4%**
Lehman Aggregate	-1.3%	-0.5%	3.7%	4.2%	3.8%
Total Domestic Fixed	**-2.1%**	**-1.0%**	**5.5%**	**4.8%**	**4.7%**
SSGA G/C (Leh G/C)	**-2.4%**	**-1.6%**	**2.7%**	**3.7%**	**3.4%**
Lehman Gov/Corp	-2.5%	-1.6%	2.4%	3.6%	3.3%
DBF MBS (Leh Mtge)	**0.7%**	**1.7%**	**6.7%**	**5.4%**	**4.5%**
Clearwater TBAs (Leh Mtg)	**0.9%**	**1.8%**	**6.4%**	**5.2%**	**4.7%**
Lehman Mortgage	0.8%	1.9%	7.0%	5.5%	4.8%
DBF Mortgages (Leh Mtg)	**0.8%**	**2.9%**	**12.2%**	**8.1%**	**5.8%**
Lehman Treasury Bond	0.6%	2.3%	8.7%	5.8%	4.5%
SSGA TIPS (Leh TIPs)	**-4.4%**	**-3.6%**	**4.5%**	**3.8%**	**5.3%**
Western TIPS (Leh TIPs)	**-4.3%**	**-3.9%**	5.2%	n/a	n/a
Lehman TIPS	-3.8%	-3.5%	6.2%	4.3%	5.2%
Fidelity (Leh Aggr)	**-1.7%**	**-1.4%**	**0.4%**	**3.0%**	n/a
Lehman Aggregate	-1.3%	-0.5%	3.7%	4.2%	3.8%
Lehman Global Bond	-2.4%	-3.8%	2.8%	4.7%	4.8%
Western Core Full + (Leh Aggr)	**-3.8%**	**-4.9%**	**-6.3%**	**1.0%**	n/a
Lehman Aggregate	-1.3%	-0.5%	3.7%	4.2%	3.8%
LIBOR + 300 bp	0.2%	0.7%	3.5%	4.6%	3.6%
Total Global Fixed (Leh Aggr)	**-2.0%**	**-1.9%**	**-0.1%**	**2.8%**	**3.6%**
Baring (Leh Aggr)	**-0.8%**	**0.3%**	**5.1%**	**5.0%**	**4.9%**

Performance Commentary:

The Total Fixed Income portion of the portfolio lagged behind the Lehman Aggregate index by approximately 100 basis points during the month. Among our active domestic fixed income managers, slight underperformance by DBF MBS was offset by Clearwater TBA while the DBF Idaho Commercial Mortgage Portfolio kept pace with the Lehman Mortgage index. Both TIPS managers underperformed the Lehman TIPS index by at least 50 basis points. And both Core Plus managers, Fidelity and Western, underperformed the Lehman Aggregate index during the month. Barings was the only bright spot, generating a return of -0.8%, 50 basis points ahead of the Aggregate index. The Total Fixed Income portion of the portfolio continues to contribute positively to the Total Fund for all longer time periods.

Total Fixed Income
Lehman Aggregate Benchmark *Sep 2008*

Portfolio Attributes** (as reported by Russell/Mellon) *** excludes ID Mortgages*

	Coupon	Moody Quality	Current Yield	Yield to Maturity	Option Adj Duration	Modified Duration	Effective Convexity	Number of Holdings
Total Fixed	4.30%	AAA	5.06%	5.86%	5.96	6.53	0.36	3,152
SSGA G/C	5.24%	AA1	5.16%	4.79%	4.97	5.09	0.48	1,710
DBF MBS	5.69%	AGY	5.67%	5.62%	3.95	4.54	(1.03)	44
SSGA TIPS	3.40%	UST	3.19%	3.81%	8.59	9.66	1.35	7
Western TIPS	2.80%	AAA	2.73%	4.20%	7.03	7.89	0.74	37
Clearwater TBA *	8.36%	-	8.35%	-79.21%	4.10	4.68	16.74	7
Baring	5.13%	A1	8.93%	7.17%	4.78	5.07	(0.43)	69
Western	6.36%	AA3	7.43%	12.11%	5.30	6.04	(0.77)	448
Fidelity	5.42%	AA2	5.90%	7.59%	4.53	4.92	0.01	829